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STATE OF WASHINGTON

WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

Building 17, Airdustrial Park, P.O. Box 43105 • Olympia, Washington 98504-3105 • (360) 753-5662 • FAX (360) 586-5862

August 14, 1997

The Honorable Cathy McMorris, Chair  
Joint Legislative Audit and Review Committee  
506 16th Ave. SE  
Olympia, WA 98501-2323

Dear Representative McMorris:

I appreciate this opportunity to respond to the Preliminary Report of the Workforce Employment and Training Program Sunset Review. On behalf of the Workforce Training and Education Coordinating Board (WTECB), we concur with the Report's recommendations. The attached table summarizes our comments regarding the recommendations.

In addition to the recommendations included in the report, WTECB has made other recommendations for improving the Workforce Employment and Training Program. The Program should:

- Better target dislocated workers, the group of unemployed workers who are most likely to suffer significant permanent earnings loss without effective retraining;
- Decrease the time spent out of the workforce by dislocated workers, while still providing sufficient instruction to produce significant benefits;
- Increase financial assistance to enable dislocated workers to complete their retraining; and
- Improve job placement assistance.

SBCTC's Program Plan for FY 1998 addresses each of these areas for improvement, as well as the better targeting of effective fields of study as also recommended by the Joint Committee. The Plan has been approved by WTECB.



I am pleased that the staff of the Joint Legislative Audit and Review Committee found WTECB's research, conducted by our contractors Westat and Battelle, to be a valuable source of information to review the Program. As you know, evaluating the effectiveness of workforce training is one of the primary functions of WTECB. Before WTECB was created in 1991, no state agency was responsible for evaluating the effectiveness of the workforce training system or for setting standards for evaluations conducted by the agencies that administer workforce training programs. Because of the efforts of WTECB, we now have similar information on the results of nine different training programs administered by four different agencies, a significant achievement. We look forward to continuously improving how we carry out these responsibilities.

I would also like to offer the following more specific comments on the report itself:

1. The final information provided by Westat shows that the Program did have a positive net impact on employment. In other words, participants were more likely to have jobs after being in the Program than were similar unemployed workers who did not participate in the Program.
2. In regards to the Battelle evaluation of five other workforce training programs, the report implies that the Legislature appropriated funds specifically for that study. This should be corrected. WTECB funded that work through reallocating regular state and federal general fund appropriations. Approximately 80 percent of the funds used for the study were federal.
3. The Battelle evaluation was in performance of the agency's standing statutory responsibility to biennially evaluate the effectiveness of the workforce training system. The preliminary JLARC report infers that the purpose of this evaluation is to compare the relative effectiveness of different workforce training programs. Such comparisons run the risk of comparing apples and oranges—different programs provide different types of services to different types of populations. The programs do, however, have common goals identified by WTECB—such as increasing employment and earnings. *We evaluate how well the programs perform in helping the populations they serve reach these goals.*
4. Given substantial differences in the resources and tools available to Westat and Battelle, it would be very odd if the methodologies used by Westat and Battelle were the same. There were substantial differences in their level of funding, the detail of available data, and the length of the post-program period. In addition, Westat had very recently pioneered new methodological techniques that we wanted to take advantage of.

Cathy McMorris

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5. The funding for the Job Training Partnership Act (JTPA) is all federal. Therefore, it does not seem appropriate to refer to the state's return on investment. If the federal government's return on investment is to be considered, then the impact on federal tax revenues should be included.

Finally, as the report itself notes, return to the state on the state's investment may not be the best measure of cost effectiveness. In our own evaluations we do measure return on investment, but we include the return to the participants as well as to other taxpayers. This seems to us a better measure of how efficiently and effectively programs train people for jobs.

Again, I would like to thank you for this opportunity to respond to the Preliminary Report.

Sincerely,



Ellen O'Brien Saunders  
Executive Director

EOBS:bwm

cc: Members, WTECB



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STATE OF WASHINGTON  
EMPLOYMENT SECURITY DEPARTMENT

PO Box 9046 • Olympia, WA 98507-9046

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August 18, 1997

JLARC

Cheryle A. Broom  
Legislative Auditor  
506 16<sup>th</sup> Avenue SE  
Olympia, Wa. 98501-2323

Dear Ms. Broom:

This is in response to your letter dated July 29, 1997, in which you requested a formal response to the June 27, 1997 Preliminary Report of the sunset review of the Workforce Employment and Training Program (WETP). We are providing the following information:

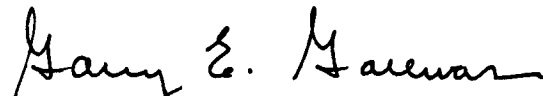
- **Attachment 1 - Employment Security Department Response to JLARC Recommendations**
- **Attachment 2 - Employment Security Department ETTF Employer Outreach Project**  
Provides additional information on the Employer Outreach Project including Employer Follow Up Survey, Project Evaluation, Performance and Expenditure information.
- **Attachment 3 - Staying Competitive in Serving Business as Customers: The Relevance of Trust in Perceptions of Service Quality**  
Provides information on the opinions of employers, levels of use of services, and satisfaction with labor market services.
- **Attachment 4 - 1997 Outreach Employers' Perceptions of Service Quality Employer: Employer Outreach Program Evaluation**  
Provides information and opinions on labor market services provided through the Employer Outreach project.
- **Comparison of 1997 Employer Survey Results to the 1994 Employer Survey**  
Compares 1997 employer survey results to 1994 results.



Cheryle A. Broom  
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Hopefully this information will be helpful in preparing the final report. Questions regarding this information can be directed to Tony Aragon at (360) 438-3266.

Sincerely,

  
Gary E. Gallwas  
Assistant Commissioner

GEG:ta

Attachments

cc: Cindy Zehnder

**Employment Security Department  
Response to JLARC Recommendations**

Attachment 1

Recommendation	Agency Position	Comments
# 1	ESD concurs with this recommendation and the proposed modification.	
# 2	This recommendation is not directed to ESD. ESD does not have a response.	
# 3	ESD concurs with this recommendation.	ESD will continue to partner with the SBCTC in providing Labor Market Information to participants.
# 4	This recommendation is not directed to ESD. ESD does not have a response.	
# 5	This recommendation does apply to ESD. ESD concurs with the recommendation.	ESD has developed goals and key results for 1997 and 1998 which will measure performance and strengthen reporting quality.



WASHINGTON STATE BOARD FOR  
**COMMUNITY & TECHNICAL**  
**C O L L E G E S**

August 29, 1997

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**JLARC**

Cheryle Broom  
Legislative Auditor  
Joint Legislative Audit Review Committee  
506 16<sup>th</sup> Ave SE  
Campus Mail: P.O. Box 40910  
Olympia, WA 98501

Dear Ms. Broom,

Thank you for the opportunity to provide a formal response to the sunset review of the Workforce Employment and Training Program. We also appreciate being updated on the modifications anticipated in the final report.

Our agency concurs with the three recommendations in the preliminary report which reflect directly on college training. We are not in a position to evaluate the recommendations related to the Workforce Training and Education Coordinating Board and the Employment Security Department.

If you have any questions regarding our response, please contact Dan McConnon at my office at 753-878

Sincerely

Earl Hale  
Executive Director

c: Dan McConnon

**Washington State Board for Community and Technical Colleges**

**Response to Joint Legislative Audit and Review Committee Sunset  
Review of the  
Workforce Employment and Training Program  
Summer 1997**

<b>Recommendation</b>	<b>Agency Position</b>	<b>Comments</b>
1. Continue to fund	Concur	
2. Use RFP process to increase proportion of higher paying job programs	Concur	
3. Provide placement and wage information to potential participants for different programs	Concur	
4. WTECB improve research coordination	Not applicable	This recommendation applies to another agency
5. ESD should improve performance measures	Not applicable	This recommendation applies to another agency





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STATE OF WASHINGTON

JLARC

OFFICE OF FINANCIAL MANAGEMENT

*Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555*

August 29, 1997

Cheryle A. Broom, Legislative Auditor  
Joint Legislative Audit and Review Committee  
Post Office Box 40910  
Olympia, Washington 98504-0910

Dear Ms. Broom:

As you requested, I am submitting comments regarding the Joint Legislative Audit and Review Committee (JLARC) preliminary sunset report on the Workforce Employment and Training Program (WETP).

The JLARC report favorably reviews the previous evaluation of WETP performed by Westat, Inc. through a contract with the Workforce Training and Education Coordinating Board. Governor Locke strongly supports the WETP and is encouraged by JLARC's preliminary recommendation to statutorily reauthorize the program.

The report also finds a strong, positive correlation between financial aid and program duration, student retention and program completion. Similar research performed on behalf of the Higher Education Coordinating Board documented the same strong, positive correlation.

The review by our analyst identified two issues of concern. First, the report includes no discussion or findings related to the fund source for the WETP, yet recommends reauthorization of the program without reauthorization of the fund source. The recommendation appears to be made without well considered analysis. Second, a substantial part of the report attempts comparisons between several state training programs under study by Battelle and the WETP studied by Westat, Inc. with what appears to be inadequate data to do so. For example, finding number nine asserts a negative return on the state's investment in WETP while a footnote explains that not all benefits of the program are measured. Finding number ten asserts a rate of return for WETP higher than some programs under Battelle's review, but lower than others. However, the report goes on to say that the differences between programs may be entirely due to the differences in clientele, data, and methodology. I sympathize with the limits of the data, but am concerned that most readers will be puzzled by comparisons that the reports admits are not adequately supported by the data.



Cheryle A. Broom  
August 29, 1997  
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I want to thank you for this opportunity to respond to JLARC's preliminary sunset report on the Workforce Employment and Training Program. We would be happy to work further with you on the issues of concern.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dick Thompson".

Dick Thompson  
Director

DT:BM:dh

## **Auditors' Comments to Office of Financial Management Response**

OFM raises two issues of concern with the JLARC preliminary sunset report. The issues raised by OFM, and auditors' comments on these issues are detailed below.

### OFM Concern:

The report includes no discussion or findings related to the fund source for WETP, yet recommends reauthorization of the program without reauthorization of the fund source. The recommendation appears to be made without well-considered analysis.

### Auditors' Comment:

OFM is referring to a recommendation of the preliminary report that was changed for the proposed final report. The Scope of Work for the sunset review did not include a review of the appropriateness of the funding source for the program. The wording of the recommendation in the preliminary report was changed because it suggested that JLARC had assessed the appropriateness of the funding source.

### OFM Concern:

A substantial part of the report attempts comparisons between several state training programs under study by Battelle, and the WETP studied by Westat, with what appears to be inadequate data to do so.

### Auditors' Comment:

The report explains the shortcomings of the data available to compare the results of various workforce training programs. However, the legislature has expressed considerable interest in such comparisons, so the comparisons that are made use the best data that is available. The problems with comparability of the data is the reason why this report recommends that the Workforce Training and Education Coordinating Board improve the coordination of research evaluating the states workforce training programs. The limitations of the comparisons are noted in the report